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C O N F I D E N T I A L SECTION 01 OF 02 SKOPJE 000436

SIPDIS

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SUBJECT: MACEDONIA: POSITIVE STEP AS VMRO AND DUI AGREE ON  
NEW GOVERNING COALITION

Classified By: P/E CHIEF SHUBLER, REASONS 1.4 (B) AND (D).

#### SUMMARY

¶1. (C) VMRO and eAlbanian DUI have agreed on a new governing coalition which will focus on economic development, Euro-Atlantic integration, Framework Implementation (FWA), and several DUI priorities, including a Law on the Use of Languages and resolving the status of victims of the 2001 conflict. DUI will receive five ministries as part of the deal, as well as the Deputy PM for FWA Implementation and several Deputy Minister posts. The two sides agreed to aim to conclude rapidly demarcation of the Kosovo-Macedonia border, and to analyze the possibility of recognizing Kosovo independence after four contentious sections of the border are demarcated. Erstwhile governing coalition partner DPA, now out of government, appears resigned to a "constructive opposition role," at least in the short-term. The VMRO-DUI agreement is a positive development that should help strengthen political stability here, although the road ahead for the new coalition will be rocky, given the tough negotiating styles of both sides. End summary.

#### EURO-ATLANTIC INTEGRATION, FRAMEWORK IMPLEMENTATION

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¶2. (SBU) The Prime Minister's Chief of Staff, Martin Protoger, briefed us July 7 on VMRO's recently-concluded deal with eAlbanian DUI to form a new governing coalition in the wake of the early parliamentary elections in June. Protoger said he expected the new government and governing platform to be submitted to a Parliamentary vote on July 9 or 10.

¶3. (SBU) Protoger said DUI had agreed to support VMRO's "100 Steps" economic and governing platform, and that both sides had committed to pursuing Macedonia's Euro-Atlantic integration goals. They also agreed to continue implementation of the 2001 Framework Agreement (FWA), especially in the area of equitable representation of ethnic minorities in public administration.

#### LAW ON LANGUAGE, VICTIMS OF CONFLICT ISSUES

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¶4. (C) The two parties also agreed to draft and pass a Law on Languages -- based on the Framework Agreement and the Macedonian Constitution -- which Protoger said ultimately would reflect VMRO's more restrictive stance on the use of the Albanian language in Macedonia. The Language Law would, however, allow presidents of parliamentary commissions to use the Albanian language while chairing those committees, and would require printing materials in the Parliament to be

provided in both the Macedonian and Albanian languages.

15. (SBU) Protoger said the parties would also work to resolve issues related to the status of victims of the 2001 conflict, but would do so "within existing laws." He agreed that giving DUI the Ministry of Labor and Social Affairs (see below) would help expedite that process.

16. (SBU) Protoger added that VMRO had rejected DUI's request for action to update the Law on Use of Flags and Symbols, key elements of which the Constitutional Court had struck down earlier in the year. The two parties also agreed not to undertake any action to amend the Law on Police, passed in 2006 under the previous VMRO-led government.

#### POSTPONING MUNICIPAL REDISTRICTING

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17. (C) In exchange for VMRO's acquiescence on the Language Law and victims of conflict issues, DUI had agreed to postpone for four years the legally-mandated consolidation of the municipalities of Kichevo, Zajas, and Oslomej in western Macedonia. (Comment: That concession is significant, since DUI already had compromised on the issue with its SDSM governing coalition partner in late 2004, when the Law on Municipal Redistricting was adopted, agreeing at that time to postpone the required merger until 2009. The concession also is significant because the area is DUI President Ali Ahmeti's political stronghold, and consolidation now would give DUI a stronger base for competing in local elections scheduled to be held in 2005. End comment.)

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#### DUI GETS 5 MINISTRIES

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18. (C) Under the coalition deal, DUI will get the Ministries of Labor and Social Affairs, Local Self-Government (vital to the FWA-mandated decentralization process), Health, Environment, and Economy. They will also get the Deputy PM for FWA Implementation (key to equitable representation programs), as well as the deputy minister portfolios at the Ministries of Interior, Education, and Finance. In addition, DUI will select state secretaries for the MFA and Agriculture Ministry.

#### KOSOVO DEMARCATION AND RECOGNITION

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19. (C) According to Protoger, both sides agreed to move quickly to complete demarcation of the Kosovo-Macedonia border in accordance with the Ahtisaari Plan, preferably by October 1. After demarcation of four border areas expected to be contentious, he added, both VMRO and DUI would analyze the possibility of recognizing Kosovo independence.

#### REACTIONS: REALPOLITIK AND RESIGNATION

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110. (C) DUI VP Teuta Arifi told the Ambassador July 6 that the party was not entirely happy with the ministerial portfolios they had received in the deal, but party leaders also recognized they were not negotiating from a position of strength vis-a-vs their VMRO interlocutors (VMRO has 63 MPs to DUI's 18). She said the talks between PM Gruevski and DUI's Ahmeti had led to improved relations between the two leaders, but that the party -- and Ahmeti himself -- knew DUI would have to work over the next several months to build trust and confidence between the parties and to "prove ourselves" as constructive and loyal coalition partners. She said DUI also knew VMRO was keeping DPA poised and waiting in the wings to replace DUI if Gruevski was not satisfied with the party as a partner after a reasonable trial period.

111. (C) DPA was uncharacteristically restrained in reacting

to news that it would not be joining the new governing coalition. DPA Secretary General Imer Aliu was quoted in the press as saying that the party would be a "constructive opposition," and would continue to work for a resolution of the name issue, for recognition of Kosovo independence, accelerated equitable representation and "other Albanian demands." (NOTE: Protoger told us that DPA President Thaci had sealed his fate in the coalition talks much earlier in June, when he had pledged to Gruevski that "there would be no incidents during the June parliamentary elections" and, hours later, broke that pledge by engaging in widespread voter fraud, intimidation and violence.

COMMENT

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¶12. (C) The agreement, which gives the new coalition partners a total of 82 of 120 seats in the unicameral Parliament, is a positive step toward strengthening political stability in Macedonia. DUI's Ahmeti demonstrated statesmanship and flexibility in his negotiating approach, and the agreement was reached rapidly by Macedonian standards. The governing coalition faces a rocky road ahead, however, given the generally unyielding negotiating styles of both sides. There will be additional pitfalls along the way as PM Gruevski is likely to use his new majority to amend the Constitution to allow for the election of the President through Parliament, rather than through direct elections, which could end up concentrating power in the hands of the government and fully neutralizing an SDSM opposition that is already weak and on the ropes.  
Milovanovic